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Price control in Canada.
Booklet no.2.

Frederick Griffin
on
"Fighting inflation".





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BOOKLET No. 2

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FREDERICK GRIFFIN

on

"FIGHTING INFLATION"

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On pages 38 and 39 will be found the names of the Board members and other officers; the addresses of the Regional Prices and Supply Representatives; and the officers of the Commodity Prices Stabilization Corporation.

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Copies of this booklet may be obtained, without charge, by writing to The Wartime Prices and Trade Board, Ottawa.

February, 1942



Frederick Griffin, well-known Canadian newspaper writer, spent several weeks in Ottawa last November and December to assist the national fight against inflation by explaining price control to the public. On loan from The Toronto Star, Mr. Griffin wrote a series of explanatory articles which were offered to newspapers throughout Canada.

In response to many requests, eight of these articles are reprinted here with the addition of a ninth article—"I Believe We Can Do It"—which Mr. Griffin wrote specially for The Toronto Star on returning to his newspaper duties.

*The Wartime Prices and Trade Board
Ottawa*

OTTAWA
EDMOND CLOUTIER
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1942

FREDERICK GRIFFIN

on

"FIGHTING INFLATION"

1.

What "Inflation" Means

Behind all this national drive to fix a price ceiling on goods and services stands the haunting and powerful threat of inflation. We have all suddenly become inflation-conscious. We talk of it as glibly as of an epidemic like the measles.

All very well, you may say, but what is inflation? What causes it? What are its effects?

To get an idea what sky-high inflation can mean I talked to two men in Ottawa who have studied its effects—men who are in no way connected with the price ceiling administration. One was *Humphrey Mitchell, labor man, former alderman and M.P. for Hamilton, who is chairman of the National War Labor Board which is administering the new wages ceiling. This parallels and supplements the ceiling now set on the retail prices of all goods and essential services—to keep both on an even keel.

The other was Percy J. Philip, distinguished Scots journalist, who was for over two decades Paris correspondent of *The New York Times*. Mr. Philip watched the tragedy of Europe since the last war and saw the bitter fruit of inflation there. Part of that bitter fruit was the rise of Hitler.

**(NOTE:—Mr. Griffin wrote this article before Hon. Mr. Mitchell was designated Minister of Labor.)*

What is "Inflation"?

But before reporting their observations, let us consider first briefly what the term "inflation" means in terms of Canada's present position.

You and I know that while your individual income and my fixed salary has shrunk in buying power—through heavy taxes and a rise in living costs—a lot of Canadians, as a result of war expenditures and war employment, have more money than formerly. Certainly in the mass there is much more money to buy things with than there was two years ago. But the things that may be bought are shrinking. You don't need to be told that many items and articles are scarce. You know that shortages have appeared.

That all causes inflation. Hon. J. L. Ilsley, Minister of Finance, put it neatly when he said that inflation is caused by "too much money for too few goods."

He gave this simple illustration: Assuming that the nation is working an 8-hour day, the war is taking the production of three out of the eight hours.¹⁵ That leaves a mere five hours to supply civilian needs. But civilians have 8-hour-a-day earnings to spend.

Even though the government by taxes, loans and war savings certificates takes a big cut, 11,500,000 people in the aggregate have much more money left to buy with than there are goods to go around. That forces prices up and starts inflation.

Wages Lag Behind

As prices jump, wages lag behind. The faster the jumps, the greater the lag.¹⁶ Thus buying power shrinks and shrivels.

But to get an idea of how frightening this may become let us get back to Messrs. Mitchell and Philip. Mr. Mitchell was in Germany as a trades union delegate to an international congress when Hitler came to power. He made it his business to learn what severe inflation does.

"If inflation came to Canada," he said, "if dollars shrank to dimes in real value, it would be the wage earner, the middle class folk on fixed income, the pensioner, the people dependent on savings and interest, who would suffer most,—and suffer more fearfully than if bombs were falling.

"Uncontrolled inflation would upheave society as surely as violent revolution. It would uproot, corrupt, demoralize.

"There were a quarter of a million suicides in Germany the year following the post-war inflation. Hitler came to power ten years later on their bones and on the despair of the survivors."

Gamble Madly In Futures

"Under inflation in Canada," says Mr. Mitchell, "men would gamble madly in dollar futures. People would lose their homes, their businesses, their lands, lose them to slick men with funny money."

The German mark, its par value 4.20 to the dollar, rose during the war and afterwards until it took 500 to equal a dollar. That was in July, 1922. Then the ceiling finally blew and it soared astronomically. By December, 1922, it took 10,000 to equal a dollar; by August, 1923, 10,000,000. Then, incredible as it may seem, by November, 1923 the mark's value sank to 130,000,000,000 to the dollar.

Mr. Philip told me of paying $3\frac{1}{2}$ billion marks in Munich for a dinner. Of giving a billion marks for a tip to a head waiter who exchanged it for \$10 in Confederate money! Yes, Germany in 1923 was flooded with American civil war bills, even more valueless than the phony German paper money.

The mark, normally worth a quarter, was, on a dollar basis, not worth a speck of dirt. It cost much more to print mark notes—for billions!—than the notes would buy. Paper bills were worth more as junk than as money. People carried them in baskets, wheel barrows, even in carts and carriages, to make purchases. Workers were paid no longer by the month or week but daily, then half-daily, so fast did purchasing power diminish.

When people were paid they rushed to buy what they could before the money shrank in their hands.

Houses were easy to buy but hard to maintain. Many a mortgage, paid up in bill fodder, did not yield enough for one square meal. Inheritances shrank to near-zero. Savings disappeared like snow in the sun. Pensions became a joke. Stores closed since re-stocking was impossible with will-o'-the-wisp money. Barter became the order of the day. People paid for shoe repair with foodstuffs. They gave away jewellery, paintings, furniture, rugs for food.

Worst Effect on Morale

Worst of all was the effect on morale. Professional men like doctors and lawyers, dependent on fees, were reduced to peddling or the like, to live. Skeleton marks mocked the possessors; only things had value. Decent people lied, stole, even murdered to possess themselves of some valuable actuality. Whole families would sneak o' nights on a thieving expedition. Honest men stole metal from churches and their neighbors. The dishonest who were shrewd enough grew rich in possessions they managed to corral from bewildered folk.

Before German inflation was arbitrarily ended, the nation had been shocked, numbed and upturned. The dispossessed, the ruined, the cynical, the frustrated, the frightened were the base on which Hitler built his dream citadel. His promises were the only hope of millions.

"That's what we face in Canada," said Mr. Mitchell, "if inflation should ever get away from us. Some few people may emerge richer, but it means cruel suffering for the masses. It means social and moral breakdown, violent political swings to right and left—and then it becomes a mere question of who gets his hands on the ammunition first and starts shooting."

Mr. Philip witnessed a number of inflationary periods in France, each robbing the thrifty Frenchman of his franc realities. He said, "When your money goes, everything goes, including, strange as it may seem, all moral values. Money is the common denominator of solidity and security. It was so in France. It was the yardstick of most people's standards. Change its value daily, as I saw it change often, and you shake society to its roots."

It is to avoid the shocks and stresses of inflation that Canada's Wartime Prices and Trade Board is imposing a stern system of price control. If we are to escape the fears and sufferings of European peoples it is our duty to support that system to the limit.

2.

The Plan of Battle

(*Mr. Griffin wrote this article on his arrival in Ottawa a few days before the price "ceiling" came into effect.*)

In a business block on Sparks Street, Ottawa, final plans are being worked out for the war's greatest domestic offensive. It is an immense planning against time. The zero hour is December 1st. Then we all go over the top against rising prices. For every person in Canada will be in this fight to beat inflation. It is a fight that we Canadians must win for ourselves and over ourselves.

We must win it by severe discipline. We must win it by changing business practices. We must win it by turning our backs on old habits. We must win it by beating greed. That, men say here at Ottawa headquarters, is the only way it can be won: by each man making himself his own judge and his neighbor's keeper.

It can't be won, they say, by the government. It can only be won by the people themselves, by you and me determining not to chisel or cheat. By you and me foregoing the temptation of an immediate seeming profit lest it be one of a hundred thousand such profits that will bring ruin in the long run to us and all.

This offensive is being planned by The Wartime Prices and Trade Board under Donald Gordon. It is to be no sudden, sharp, exhilarating attack at dawn. On December 1st you won't hear the whistles blow, see flags fly. But, while the aim is to set up a siege against inflation, preparations in Ottawa are as for a blitzkrieg. At headquarters here the general staff is working far into the night laying the groundwork for a nation-wide assault that will involve every home, every hamlet, every farm, every corner grocery, every quick lunch counter, every little hairdressing salon.

For, from that date, no one will be able to charge or pay more for any goods or essential services than the highest prices that prevailed in the four weeks, September 15 to October 11, 1941. If prices have gone up since, they must come down.

Prices Will Vary

Viewed close-up here, that is what makes the task seem such a colossal one, made possible only by everyone's honesty and co-operation. The Board is not simply setting one price or set of prices down the line for all Canada, or for one province, or city by city, or even street by street. Prices will vary from store to store as they always did. They will vary between high and low priced stores, between the big popular emporium and the specialty shop, between various types of restaurants.

Butter, for example, may show a range of several cents between the chain store, the department store, the corner grocery and the little delicatessen that stays open to 10 at night to oblige Mrs. Jones who suddenly discovers she hasn't a bite for breakfast. But the price charged by each must be on the level of the basic period mentioned; less if each likes, but definitely no more.

Thus there is to be no great levelling, it is explained, no setting of one price, but rather an anchoring of the price level generally as of the basic period. Thus competition will be preserved and, within the limits of what he may charge, the efficient, alert manufacturer and merchant will still seek to gain your custom by value at a profit.

Every establishment in Canada will be licensed to do business under this price control plan. This plan includes big intricate businesses and small hole-in-the-wall stores. All will have to conform. Offenders may be severely punished.

But, and here is the genius of the plan which Donald Gordon is driving towards the zero hour, control is not being imposed arbitrarily by the government. True, the law says that prices must stay at, or go back to, a certain level. But business is being asked to work it out.

In Democratic Fashion

You find here in Ottawa that the ball has been tossed back to business, and business men are working out their own plays. Business men in every industry and grouping, manufacturers, wholesalers, retailers, are intent on devising methods that will meet the needs of the hour. Business might have gone on strike, thrown up its hands, said, "We can't keep the price down", but honestly, loyally, even with enthusiasm, business men are forging their own shackles, for their own salvation.

Thus in democratic fashion, Canada is fashioning a type of control undreamed of in the days when Hitler was only a noise in Europe.

But let us go back a bit. The Wartime Prices and Trade Board is not a new thing. It was set up in Canada within a day of the outbreak of war. It functioned splendidly for the first two war years. Sitting constantly and serving faithfully, it worked rather to see that supplies of raw materials were maintained than to crack down on prices, though it did work with success to keep prices of certain commodities from rising sharply.

Then in September, 1941, costs and prices began to move in a vicious spiral towards infinity. The time had come for drastic action.

Announcement of action came on October 18th, when, in a radio broadcast, the Prime Minister declared that wages and prices would be pegged in an all-out fight to halt inflation. Such a thing in such fashion had never been attempted in a democratic country before. Could it be done? How, in a democracy, could the ten million and one transactions of daily business be channeled and checked?

Ottawa headquarters is athrob with an energy that is reaching out into the highways and byways of the Dominion's business. A great organization is being built up almost overnight. In little more than a month the miracle will have been achieved, the creation of an organization as remarkable in its way as the Empire Air Training Plan. Truly, this country, under war's stress, has shown a titanic capacity to improvise.

Building An Organization

Donald Gordon is chairman of a Board of general strategy which has grown from five to eleven members. While it decides policy and hammers out regulations, his is the role of overall inspiring, directing and executing. Around this headquarters nucleus has grown the big, varied, widespread, deep-reaching business administration necessary to put the plan into effect.

Don't ask anyone how it has been done. But it has been done. Day by day a corps of administrators has been built up. They are the direct supervisors of the various branches of business: manufacturing, merchandising, wholesale and retail; food, clothing, shoes, jewellery and the like.

These men, most of them executives or technicians of business, were drafted. All the instincts, training, background, of most of them were against control. Many saw only failure, grief, chaos ahead. But the country's need and the public good enlisted them. Now they are working, through their industrial and trade associations, to put across a co-operative system of price control in the firm belief that it can not, must not, will not fail.

This price control will be an integrated, shared, co-operative scheme that will go right down through from producer through manufacturer, wholesaler and retailer to consumer. Each must bear his share of what is called the "squeeze". This is to be achieved as far as possible, by voluntary, unselfish give-and-take which the various businesses are seeking to work out among themselves.

Every day to Ottawa have come representatives of many business or trade groups to work out with the administrators the details of price control. One day saw representatives of the Ontario Milk Producers, the flour millers, the bakers, here to listen to administrators outline objectives and thresh out with them ways and means of getting that price down.

For The Common Good

Prices must come down! That is the dictum which faces everyone all along the line. But how they will be brought down is left largely to the initiative, enterprise and efficiency of a business or group. "Frills" like the packaging of bread, for example, may be cut out to bring the cost of a loaf down. Or there may be cuts made in delivery or in the multiplicity of kinds of certain goods made or sold. Economies will be sought here, overlapping eliminated there. It is said that business groups will develop a greater brotherhood than in the past as a result of the new inter-dependence. A spirit of working for the common good will replace the old rivalries.

Some commodities, like clothing and textiles, have administrators for the various interests and then a co-ordinator to iron out snags. In the case of food, Hon. J. G. Taggart, Minister of Agriculture for Saskatchewan, came to Ottawa to act as administrator. But within a week he had a group of administrators for fish, flour mills, bakeries and so on, working with him to handle the various lines. Thus the administration has grown,

expanding daily, to meet the widespread necessities of a blanket-ing blitzkrieg against the common enemy, inflation.

Very shortly thirteen regional officers will have to be appointed and offices opened in Vancouver, Edmonton, Regina, Winnipeg, North Bay, London, Toronto, Brockville, Montreal, Quebec, St. John, Halifax and Charlottetown so that control can work intimately with business everywhere. To these offices will be attached the inspectors and supervisors necessary to a check of the control as it works out in every cash register.

Such is a hint of the new world to which Canadians will awaken on December 1st, a world with a price ceiling such as they have never known before. They won't see it but it will be there, a great national attempt to harness costs, bridle prices and curb a dreadful intangible called inflation. That is the purpose of the big blitz set for December 1st. It is everybody's fight.

3.

Provision for Foods

The baker, whom every woman knows, is as good an example as any to show how the price ceiling may work to cut in on our accustomed ways.

Coming daily to your door with his wares, he is in a highly competitive business built up on many individual tastes and whims. To meet them, he has been accustomed to carrying several kinds of bread, variously shaped, differently mixed, temptingly named and attractively packaged.

Now he finds he will have to standardize his methods, eliminate some of his wares, change size and shape and otherwise economize if he is to meet the law which requires that he maintain old values at anchored prices.

Don't, therefore, quit the driver in a huff because he no longer sells a particular kind of loaf. Or as big a selection of tarts. Or because his pies are plainer. The odds are that every baker in the district will be following suit.

That missing loaf, those tarts, the plainer pies will be symptoms of many a thrift in processing, packaging and delivery which you'll see from now on in the battle of business to beat inflation. Not only the baker but the butcher, grocer and many another tradesman will be seeking ways of cutting out frills in order to give us value for our money as of the basic period.

"People who think they see signs of their dollar being pinched," said J. G. Taggart, food co-ordinator for The Wartime Prices and Trade Board which is enforcing price control, "should think of the shrinkage there might be soon without this control."

He went on: "Our aim is to halt a rise, hold down a flood. It is too much to expect it to recede."

He Controls and Represents

Mr. Taggart, a bluenose westerner, is a splendid example of the men engaged in Ottawa under the leadership of Donald Gordon in setting up the biggest umbrella in history—an overall price

ceiling to cover every product in all Canada. A Canadian to his roots, no czar but a plain-speaking plainsman, a democrat by instinct and experience, he is nevertheless Canada's powerful new food boss. He controls—at the same time he represents—the primary producer and processor, the farmer and fisherman, dairyman and distributor, miller and packer. He knows their practices and problems, speaks their language.

Mr. Taggart is Minister of Agriculture for Saskatchewan. He has been loaned by the province to the nation for a national emergency. A great authority on farming, he was born on a farm in Nova Scotia. He attended agricultural colleges in the Maritimes and Ontario. In Alberta he was a teacher of agriculture; in Saskatchewan, head of an experimental farm. Farmer, scientist, economist, he is honest, simple, sincere and highly intelligent. An idealist, the drought in the west toughened him to realities. He has lived there for 28 of his 49 years.

Since the war began he has most successfully headed the Bacon Board. Now, in addition, he tops the new food administration. For the past two gruelling weeks, working amidst the control's gigantic birth pangs, he has shown a skill to create and execute which has won him fresh orchids.

He stopped in the midst of a welter of work to explain what food control means.

Working Through Groups

The food administration, he said, is seeking to work out control through organized groups rather than with individuals.

"Which isn't as simple as it sounds," he went on. "A farmer is not just a farmer. Farmers grow different products by different processes. They live in varied areas, often have interests that conflict—as do industrialists. You wouldn't expect a wheat grower to know a dairy farmer's business any more than you would ask a flour miller for advice on meat packing. With farmers, as with other producers, we have been trying to work things out with the most representative group concerned in the production of a certain kind of commodity."

To illustrate, he has held conferences with the whole-milk producers of Ontario. He has dealt with the various provincial milk boards which have mechanisms of control in operation. He has talked with a body representing nearly 90 per cent of Canada's bakers. Such is the two-way channel between the

board and business. The co-ordinator or administrator explains or advises. A group's representatives tell its troubles, say where the shoe pinches. Thus adjustment or relief may be worked out.

"A price ceiling will be in effect from December 1st—that is the law and it must be obeyed," Mr. Taggart explained. "But our job is to help business to adjust itself to the conditions imposed. A price-freezing order of such magnitude is bound to cause inequalities along the supply line. Our aim is to level them out, take out tensions, make all share the 'squeeze'."

"We administrators can arbitrate, if you like, between industries. Powdered milk is used in bread making. So is shortening in the form of lard. Three administrators—of meat, milk and flour—are involved right here. Action by one administrator may affect another's industry. It is my job to co-ordinate the various food administrators' actions and interests."

How Organization Is Built

Mr. Taggart is an example of how the price control organization has been built. He was first named food administrator with directors to be named under him for the various products. Soon, so big and complex an affair is the food industry, administrators had to be named for the various divisions and he became arbiter and chief. Now there are administrators for meat, fish, dairy products, bakery products, flour and cereal foods, fruits and vegetables and dry groceries such as tea, coffee and spices; and there may be others appointed.

Such men are all authorities in their industry. "I've got to know enough to find the man who knows," Mr. Taggart says smiling. So he has a man like Neil McLean of Saint John, N.B., president of a big fish packing plant, as fish administrator. Fishing, it appears, is as involved an industry as farming, with its own internal conflicts—for example, between the competitive merits of Pacific coast and Atlantic coast fish and of interior fresh water fish seeking the same markets as often as not.

Explaining how control and adjustment will work out, Mr. Taggart said: "I go to the Board with specific problems and get rulings. Thus principles are established in terms of policy. Gradually my authority will increase as rulings clarify principles. Cases will begin to fall into classes governed by precedent on which I shall be able directly to decide."

Co-operation Is Complete

In the meantime, in these strained days of launching the greatest control over business a democracy has ever tried—a control that reaches right to every price tag and cash register—it is a struggle to get the food administration and the other administrations set up while working out a smooth functioning with those most interested and affected, Canada's 300,000 big and little sellers of goods in raw or finished form.

"How are your farmers and business men taking it?" I asked Mr. Taggart.

"Their attitude, without exception, is one of complete co-operation," he said, "no whining, no kicks, no refusals. Their spirit is magnificent. They are prepared to make it a go."

"Two years ago such control, such intervention by government would have been—"

"Unthinkable," Mr. Taggart agreed. "Now many business men, including farmers, welcome it as an opportunity to standardize their practices and raise efficiency. They are relieved at being able to look ahead to a fairly stable price position, even though it involves their being on their toes to offset the restrictions by achieving savings in cost of production and handling."

4.

Co-operation in Clothing

There will be no regimented plainness and no "ersatz" in Canadian wearables. Values will be basic as of the Fall; grades will be as good and quality as high as ever.

And all at prices anchored at the level of the period September 15 to October 11, 1941.

That is because the hundreds of Canadian retailers, primary and secondary manufacturers of clothing and textile goods, of men's, women's and children's wear, of shoes and sundries, have, as one man, organized to take with fortitude their share of the "squeeze" imposed down the line by the retail price ceiling which went into effect on December 1st.

Take the case of the primary cotton manufacturers. They make the threads, yarns, clothes, sheets, felts and the like which 450 secondary manufacturers turn into shoe laces and pipe cleaners, eiderdowns and horse blankets, cheese cloth and draperies. These primary manufacturers decided to take a cut of from 4 to 8 per cent in delivery cost as the first step in making it possible for the secondaries to make their cut in cost to thousands of retailers, who will make it to the consumer.

Fred B. Walls, co-ordinator of the clothing and textiles administration of the Wartime Prices and Trade Board, cited this to me as a sample of the way in which inflation is being fought by one of Canada's biggest and most complex industries. The clothing, textiles, footwear and fur industries which he was appointed to co-ordinate—with W. P. Zeller, head of the Zeller's chain of specialty shops, as deputy co-ordinator—has an annual output of roughly \$375,000,000.

Yet before December 1st, this great, highly competitive, intricate series of industries had taken its medicine. It was a heartening picture of Canadian business courage and co-operation which Mr. Walls gave.

"All Pulling Together"

"All are pulling together, none apart," he said. "The primary is going to take his share of the 'squeeze'. So is the manufacturer and processor. So is the wholesaler. So is the retailer. Credit must be given these men for the job they are trying to do. Their spirit, keen, hard, logical, has been magnificent. When we first started out, they said 'It can't be done'. Then it became 'How?' Once they were sold on the idea they had only one thought: to make it work.

"These men have no illusions. At least 99 per cent of them agree that inflation must be staved off, whatever the cost, however great the sacrifice."

Working during the past two or three weeks has been a group of administrators, appointed by the Board. There were administrators for work clothing, for men's clothing, for footwear and luggage, for wool, for rayon, for cotton, for men's and boys' furnishings, for women's, misses' and children's wear, for fur and fur pieces, for knitted goods, for textile sundries.

These were men who knew the intricacies of their trades. Each was a ranking manufacturer or executive. They had to work it out in the interests of big firms and of hundreds of little fellows alike. It must have been like trying to ride an octopus, all legs going at once. But everyone agrees that the big-framed, big-minded, big business man, Fred B. Walls, was a perfect choice for co-ordinator of this hydra-headed grouping of clothing and textile industries. First, he knew the business. Second, he had its confidence.

Now 46, he is general manager of The T. Eaton Co. Ltd. of Montreal and a director of the firm. Born in Strabane, County Tyrone, he was a northern Irishman as have been so many of Eaton's top-flight men, including the founder. Many Irish are volatile and voluble but here is one who is quiet and self-contained.

Served in Last War

He came to Canada at 15, landed in Toronto, got a job in Eaton's, hustled, landed within two years in the sales office—then in 1915 enlisted as a private in the 75th Battalion of Toronto. In 1916 he was given his commission. He later decided he wanted to fly and was seconded to the Royal Air Force to the end of the war.

The war ended, he settled down to business, rose steadily, became merchandise manager in Montreal when Eaton's bought Goodwin's in 1925. Made a director in 1936, he was made Montreal general manager two years later. Though the top boss there, he is said to know everyone on the large staff. He is also said to know every angle of the business.

He spoke with great appreciation, as a key executive of The Wartime Prices and Trade Board, of the co-operation he had found among the very diversified groups he had been called on to co-ordinate.

He cited men's clothing as an example of complexity, a proportion of it made from imported wool materials, the rest from Canadian fabrics. Administrator Cohen has to work out a co-ordination of imports and of wool supplies with the wool controller, David C. Dick, now working as another administrator under the plan.

50-50 Share With Retailers

He told how the men's clothing manufacturers had decided to avoid a lot of "haggle" by arranging to take a 50-50 share of the cut with retailers. This means that if a suit of clothes or an overcoat has to drop \$2 in price to meet the ceiling as of the basic period, manufacturer and merchant will each absorb a dollar.

"Give credit for a good piece of work on that," he said, "to Mr. Cohen and to E. G. Burton of Simpson's, the retail trade administrator. It means a simple over-all formula instead of having thousands of merchants going to each manufacturer trying to make the best bargain."

"No", he said, "such simplicity of division could not apply to women's clothes where styles change so much and where there is a great diversity of materials and workmanship. A man's suit is a man's suit or a shirt is a shirt, but a woman's clothes are something else again."

Must Get Dollar Value

"Fabrics may change and fashions may alter," said Mr. Walls, "but the ladies must get dollar value in quality equal to that for the period September 15 to October 11. That is the law and it altereth not. Spring clothes must be offered at the same basic prices as fall clothes were."

"Quality is a problem," I suggested, "particularly in women's clothes. Who is to judge it? How is it going to be set and maintained in line with this past fall's standards?"

"It will be set by the honest manufacturer and maintained by competition as usual," he answered. "If 75 per cent of an industry is comprised of good citizens, they'll set the tone and standards for the rest."

Like Speeding Law

"It will work out like the speeding law," he said. "Some drivers occasionally or habitually go over 50 miles an hour but the vast majority stay safely and decently within the speed limit. But, even though it's broken, no one says it isn't a good law."

"How many of these business men, many of them small, of whom you speak, are going to be casualties under the 'squeeze ?'" I asked.

"They have all developed," he answered, "under circumstances of the keenest competition. Relatively, conditions will not have altered in future—all will be in the same boat, big or small. The efficient man will find ways and means of meeting the new condition. Indeed, in many cases, the small operator will be relatively better fixed than the big fellow with his heavier taxes, added costs and the rest."

Generally, Mr. Walls felt, a new era of co-operation had been forced on business which should have a fine effect in establishing a better based relationship, a greater friendliness.

"Firms," he said, "competitors, are exchanging information never given before. The shoe people all came here with their figures. Each spoke freely before the others as he had never previously done. They exchanged ideas of economies, of standardization. It should all result in a rationalization in Canadian industry that will be all to the good."

5.

Retail Storekeepers

Take the sad case of the canary man. He had, it appeared, bought a flock of the little songsters 'way back in September when there was no public thought of a price ceiling. Not that they could sing much then; they were little birds, young and untrained. He has since stuffed them with birdseed, fathered them with love, taught them their doh-ray-me's.

Now every bird among them was a full-breasted prima donna.

His problem was: what to charge for them as of the basic period?

That, thinks Edgar G. Burton of Toronto, has been his oddest problem as Retail Trade Administrator under The Wartime Prices and Trade Board. He has had problems aplenty, sees lots ahead as arbiter for 125,000 merchants on every main street, suburban corner and country cross-roads of Canada.

A young man at 38, Edgar Burton has come up from a counter job to be emergency chief of Canada's retail merchants. He retains a gift for quick laughter. He is general manager of the Robert Simpson Company and it tickles him, I think, to be able, as Administrator, to talk down to his father, C. L. Burton, who has so often talked down to him.

I asked Edgar Burton how his views as a government regulator fitted with his interests as a great merchant. "My interest," he said, "is no longer in one store but in all the stores in Canada. In this we sink or swim together. Stores simply must get together to eliminate some of the things that have grown up under competition."

I asked him what fact stuck out most in his experience so far.

"Customers," he said, "have found it hard to understand that different stores may have different price ceilings as of the basic period September 15 to October 11. Egg prices, for example, confuse them. On December 1 these were generally lower than for the basic period. They may now or later advance to each store's individual ceiling for each grade."

"Then, many national brands sold at varying retail prices. I have in mind a number of articles which many big stores were selling below the prevailing level. Customers have found it hard to understand the spread. It may be that in two or three months, in co-operation with manufacturers and wholesalers, we can even out uneven prices for standard articles.

MERCHANTS KEPT PRICES DOWN

"Another thing is this. Many consumers thought prices would come down on December 1st and are puzzled because prices have not changed. The explanation is that the honest merchant—and 99 per cent of Canada's merchants are honest men—kept his prices down during the weeks before December 1st in spite of the fact that he, himself, was facing rising prices. That's one thought I'd like to get across to housewives. The average merchant is not a crook. His dealings with his customers have been based on mutual trust. Don't do anything to disturb the amicable relations of the past."

Mr. Burton turned to the effect of the ceiling on the merchants themselves. "From now on," he said, "the only profits we merchants will make will be from economies. Every store must eliminate every inefficiency and 'frill.' Otherwise it won't continue to exist.

"Do you think," I asked, "that many lines will disappear from the merchants' shelves?"

"A year hence," he replied, "many things may not be produced. To get costs down, fewer lines will be made and handled. Styles will have to be standardized. There will be less choice.

"That, however, does not mean that the lower priced stuff will be cut out to the hurt of the people with the slender purse. It must not. Our duty is to see that the manufacturer of, say rubbers or garbage cans cuts down his 57 varieties to a dozen; that he does not just make the 12 highest priced but that he makes a range selected from his full line as of the basic period."

"How will that affect styles?" I asked this style specialist.

"Everything we sell today is style," he said. "Even a flannelette blanket has a colored rim. The kitchen sink has class. People are style conscious. So style as such will remain. But some styles can be eliminated without resort to drabness.

"We're definitely interested in the small storekeeper," said Mr. Burton.

Retailers' Committee Formed

With a view to giving a voice to all storekeepers, great and small, a Retailers' Committee has been formed with offices in Excelsior Life Building, Toronto, which will work closely with Mr. Burton's Administration. This will sift complaints and inequalities. It will not be part of the Board. It will not be part of the Retail Merchants' Association. On the executive committee will be representatives of all organizations, department stores, chains, high-toned specialty independents, general merchants, little fellows. For the first time in history, the merchants of Canada—highly aggressive individualists, often with a dog-eat-dog outlook—will have a co-operative outlook.

On the administrative side, working with him as directors, Mr. Burton has a number of retail specialists of high standing in their trades. He has E. H. Waldruff of Liggett's for drugs, L. D. Squair of Dominion Stores and E. J. Jordan of Safeways of Vancouver for foods, James T. E. Aikenhead of Toronto for hardware, H. E. Walker, formerly of Woolworth's, for variety chain stores, A. J. Dugal of Dupuis Freres of Montreal as an authority on French-Canadian storekeeping and D. M. LeBourdais, formerly of the Retail Merchants' Association, to represent particularly the small individualist in town and country and to act as link with the new Retailers' Committee.

Retail Pricing Committee

In addition, there is a Retail Pricing Committee of merchandizing experts. Its purpose will be to determine ceiling prices for new goods or goods not produced or sold in the basic period. These will include bathing suits, beach wear, certain sports wear and goods, screen doors, fly swatters, paris green for farms, straw hats, awnings—the list is endless.

Offices of the retail trade administration are in the Metropolitan Building, Toronto. Mr. Burton would say little about the herculean six weeks' fury he has just come through to build a complex organization from zero.

Business Men Approve Principle

Of the price ceiling generally, he said: "I have not met a single business man, and I've talked to hundreds, who does not think it a sound idea. Everyone knows we had to have price control. Without it, no one can foretell what might have come.

"The 'squeeze' between retailer and primary producer, down through wholesaler, processor, manufacturer, is working out reasonably well. Many spots are yet far from perfect. It will take six months before all the problems are ironed out.

"I am very anxious to know when merchandise can't be obtained. I want to know why. Success is going to hinge on producers not throwing up the sponge and saying they can't make this or that. That is contrary to the spirit and purpose of price control.

"One of my jobs is to see that merchants get merchandise. My biggest job is to help them get on with business for the next six months. That will be the retailer's worst period. During that time he'll have to absorb—sometimes at a loss—a greater proportion of the 'squeeze' than he'll ultimately have to do—until equitable sharing is worked out by the administrators and the Board. By the end of that time we should see everyone absorbing his fair share, retailer, wholesaler, manufacturer and producer."

6.

Wholesale Merchants

Under price control the wholesaler finds himself caught in a two-way squeeze. Over him is the retail price ceiling to hold him down. Below him the rising costs of manufacturer, processor and producer keep pressing up. It looks like a tough spot.

There are some 1,500 wholesale firms in Canada. They are scattered from Halifax to Vancouver, mostly in clusters in the bigger centers. They serve 125,000 retail merchants, particularly the independents in countless Canadian communities. They are sub-divided into handlers of groceries, dry goods, footwear, hardware, drugs and miscellaneous.

These wholesalers are an essential part of the nation's complex distribution system. They keep an army of agents on the road, the travelling salesmen of song and story. These trade troubadours are more than order takers; they are guides, philosophers and friends. They are a force to be reckoned with under the new price control system. The Wartime Prices and Trade Board therefore appointed an Administrator for Wholesale Trade, just as it appointed one for Retail Trade and others for the various lines or groupings of production, manufacturing, services, all to dovetail into a co-ordinated control.

Youngest Administrator

To the satisfaction of the trade, the man named as Wholesale Administrator is Robert F. Chisholm, sales manager of the Gordon MacKay wholesale dry goods firm of Toronto. He is the Board's youngest Administrator. He is 37, a year junior to Edgar G. Burton, mentor for the retail trade. He is a clean cut, live-wire specialist in merchandising practices, both wholesale and retail. He thinks of wholesaler and retailer as partners and brothers-in-arms.

Bob Chisholm, son of a lawyer, was born in North Battleford, Sask. In due course he graduated from the University of Toronto. He played rugby well. He also made money by leading an orchestra at summer resorts. His first business experience was riding a rocket to a boom-time stratosphere. This was radio, the new infant industry, as it shot up.

Young Chisholm went up with it and came down with it. As he says himself, "I got a lot of experience fast both ways." He adds, "Very fortunately I saw things on the way down; otherwise I should have had a cockeyed idea of easy business."

From this fall he bounced up to become an industrial engineer. He joined the Woods group of textile companies as a business investigator. On the marketing side he made researches in paint, steel, shoes, clothing, farm implements, publishing and rubber. He studied merchandising methods, stock keeping, plant methods, production costs and so on.

This Landed in His Lap

Four years ago he made a clinical study along these lines for Gordon MacKay. That one landed in his lap. He was asked to put his suggestions into effect as sales manager. He did. As a result, Gordon MacKay acts towards its customer-merchants like the head office of a chain store.

This touches on his basic idea for the wholesaler under price control. He wants to provide for independent retailers something of the advantage chain stores get from central headquarters.

"People," he says, "talk of the small retailer being put out of business by the chain store. Our finding is that the advantage of the chain store is not mainly in its buying power, as supposed; it's in its selling power. True, a chain store system has a big advantage in buying but this is largely offset by increased overhead. Main advantage of the chains lies in their merchandising skill. Our job as wholesalers—it is part of the job of the Wholesale Administrator—is to bring to the small retailers some of that merchandising help."

Such is the keen young Administrator who sees in the present necessity of business a golden opportunity to bring a new degree of efficiency into the whole field of merchandising.

Help Improves Efficiency

He told me: "The Wholesale Administrator's job is not to try to throw a protective blanket over inefficient operators but to get the wholesalers to help improve the efficiency of the retailers, to give a valid reason for staying in business at a profit."

His job is to regulate and at the same time represent the wholesalers. "We," he explained, "represent the Board among wholesalers and also represent wholesalers to the Board. We have to keep wholesalers in line; at the same time see that they do not take an unfair share of the 'squeeze'."

He outlined the economic function of wholesaler as middleman. After the last war, production was much bigger than consumer requirements. There was an emphasis on selling. A big impetus was given to the chain store idea. Talk arose about direct selling from manufacturer or producer to retailer. It became unfashionable to buy from wholesalers. It was said that the wholesaler was doomed.

The last ten years, according to Mr. Chisholm, proved this a fallacy. The small retailer learned this to his grief as he tried to buy in bits and pieces from a wide range of manufacturers and producers direct. The manufacturer, on his side, found it impractical and uneconomic to deal with thousands of small individual customers buying in small and uncertain lots.

Programmed Selling

"Probably the greatest loss of the small retailer," he said, "is through unbalanced stock, too heavy buying of this, too little of that, stuff not moving on his shelves. The modern wholesaler can do a great deal to help the small retailer. We call it 'programmed selling' which gives the merchant the kind of help that chain stores get from their head offices. The wholesaler must assume this partnership with the retail merchant. Retailers are his outlet. The task of the wholesaler now more than ever is to keep the retailer, and particularly the small independent, in business at a profit."

Mr. Chisholm's own company gives such "programmed selling" service to a number of stores of its own and some 5,000 independent customers.

He is strongly behind the present control to defeat inflation. No inflation now, no post-war deflation, he reasons. He recalls

that in 1919, an inflation year, there were only 7,000 failures in Canada; but in 1921, the bubble pricked, there were 27,000.

As administrator he is working for wholesaler co-operation down the line, knowing that for the next six months the retailer—the wholesaler's outlet—is going to be on the toughest spot in terms of the 'squeeze'. That is because the front-line merchant, for the immediate future, must absorb inequality until the shock is adjusted to manufacturer and processor.

Wholesalers, like others, are being asked to deal with the Administration as far as possible in groups to facilitate adjustment of stresses and avoid "haggle" over each individual case.

Outstanding Wholesale Specialists

With offices in the Metropolitan Building, Toronto, close to those of the Retail Trade Administrator, Mr. Chisholm is carrying on a nation-wide campaign among wholesalers. He feels he is particularly fortunate to have working with him as directors a number of outstanding wholesale specialists: J. V. R. Porteous, president of Greenshields, Hodgson, Racine, Ltd., Montreal, wholesale textiles; G. E. Johnston, president of J. A. Johnston Shoe Company, Brockville; H. L. McNally, general manager, National Grocers, Toronto; W. C. Matthews, Toronto, secretary of Quebec and Ontario Hardware Association; and E. H. Waldruff, president of Liggett's, drugs. Mr. Waldruff is also a director of the retail trade administration.

Mr. Porteous has made a missionary trip right across Canada addressing meetings of wholesalers. He and the other directors are working hard on their two-way job of leadership and regulations.

7.

Problems in "Services"

Should Mrs. 'Iggins, the lady who comes to work by the day, scrub under the price ceiling?

And what about Mike who shovels the snow and cleans out the cellar? Has he, an independent entrepreneur, the right to boost his rates above the basic period?

These questions may be hypothetical, but they are the kind which face James Stewart of Toronto, Administrator of Services under The Wartime Prices and Trade Board. Since he took on the job of regulator for a wide range of services, from a city's gas supply to the village taxi that meets all the trains, he has discovered, for example, that cemeteries are a "seasonal" business since it costs more to dig graves in winter than in summer.

Mr. Stewart finds himself with a very different task from that of most of the other administrators of trades and commodities. For the most part they deal in tangibles. He is up against a wide, varied assortment of intangibles.

From Top to Bottom

Hot dog stand and swank hotel dining room, Chinese laundry and funeral parlor, basement barber and high-life beauty shoppe, pop in a soda fountain and Garbo on the screen—all from the de luxe and highly organized to the casual and cut-rate, come under his ken. It is a job for a man who does not ruffle over crossword puzzles.

Such a man is James Stewart, assistant general manager of the Canadian Bank of Commerce. His banking friends, and they are many, say that Jim Stewart is calm, analytical, judicial; that he has brains, courage, a strong sense of fairness; that he can both listen and make up his mind. He'll need 'em all as Services Administrator.

He is another Scot, this time from Perth. Maybe it is only natural that Scots should have a lot to do with price control because of their native penchant for saving. But Ottawa headquarters begins to have more than a savor of Aberdeen—"Scots wha hae wi' Gordon served," Scots by birth or descent.

On the Board proper are Chairman Donald Gordon, David Sim with a burr that drips honey, Hector McKinnon, W. L. Gordon, Fred A. McGregor and Bryce Stewart. It looks like a roll call of the clans.

It is said that Jim Stewart speaks Spanish with a most pleasing burr. Certainly he can speak English plainly. For example he has been telling certain proprietors of services who have been coming to complain that the price ceiling is getting them down:

"The government did not set your ceiling. You set it by the price you were charging during the basic period. Nothing has happened since to materially increase your costs. If your price now is too low, that's your problem. You created it."

That's not cold blood, for they say he is a human, kindly man though no sentimentalist; it's just Scottish logic and common sense.

No Self-Talker

Mr. Stewart, though self-reliant, is no self-talker. Few of his vital statistics are available. Now 47, he came to Canada at about 20 "because it seemed the natural thing to do at the time." He landed a job with the Canadian Bank of Commerce at Sherbrooke, Quebec, and began to climb upwards.

He served in Halifax, Toronto, New York. During a difficult, sometimes stormy period he served for seven years in Mexico City and won his higher spurs as a cool man in a hot spot. He is a low-score golfer. He curls. He reads a lot. He is a bachelor but keeps a house. He sticks to dark ties and suits, occasionally gets his socks mixed. This amuses him for he has a careful humor.

The big difference, he has found, between his administration and most of the others lies in the fact that wages loom larger as a cost factor in services than in commodities. Many services—the supplying of electricity or gas, funerals, dressmaking, beauty treatments, garage repair work—are direct between producer or processor and consumer. Without middlemen, there is no chance to pass on or share a 'squeeze'.

Two Main Parts

Actually his administration splits into two parts. The first takes in such public utilities as the supplying of electricity, gas, steam heat and water; telegraph, wireless and telephone services; transportation and harbor facilities; warehousing and storage.

"Most of these come under provincial and municipal control," he said. "We do not supersede this. In checking prices we seek the close co-operation of bodies with jurisdiction over them."

He gave a couple of instances of problems which have come to hand in this general class. Both concerned water rates. In one case a municipality, storing up for a rainy day—or rather against drought—had increased its water capacity. The question was whether payment should be by bond issue borne by the taxpayer or by an increase in water rates over a series of years. He did not say how it would be met.

In the second case a municipality sought to increase water rates, said too low. "I have sought," he said, "to get from the municipality a complete statement to see if an increase is absolutely necessary. It may be that it is. The hurdle might be got over by having the municipality change the assessment, so as not to pierce the ceiling."

The Real Puzzles

But it is in the second division of his administration, among the private and personal services, that the real jigsaws lie. Here are thousands of unrelated businesses, many relatively small but with troubles innumerable because of their individualisms.

Take cleaning and pressing. This includes many highly organized large concerns. It also includes myriad small operators who often give a low-price service. No doubt they play their part in the community, serving many with a slim purse. If forced out by a ceiling which has caught them low, it would not only eliminate their cut-rate service but might tend to create monopolies. The same thing applies in the case of laundries.

Mr. Stewart is advising the different services, however scattered and individualistic, to organize into regional bodies. If he has to deal with particular cases, a single decision might be prejudicial to an industry generally.

He hopes to have a services officer at each of the Board's regional offices. He said that a number of services are not yet specified but that many of these would ultimately come under his administration. Any service of any kind, he implied, was subject to review at any time and a ceiling check on charges.

8.

Method of Enforcement

The price ceiling will be firmly enforced but there will be no merchant baiting, no gestapo bulldozing. There will be no army of price-police descending on Canada's stores and offices.

Best guarantee of this is not merely The Wartime Prices and Trade Board's outlook but the character and experience of the man who is Enforcement Administrator. Here is no Himmler but a liberal-minded man with a deep sense of equity and democracy, a slow-spoken, reasoning man who smiles while his eyes glint.

He is Fred A. McGregor, a member of the Board and therefore a sharer in shaping policies. Checking on business practices has been his trade for 15 years. He is Commissioner of the Combines Investigation Act.

Now 53, he is a son of a leading Ottawa grocery merchant of years gone by, one of a family of nine children, several of whom have won academic and sociological distinction. He is a graduate of McMaster University. For a short time as a youth he worked on the business side of a newspaper. He was briefly a schoolmaster. He entered the Civil Service in Ottawa and fate in time made him secretary to Mackenzie King, then Canada's first youthful Minister of Labor. He went with Mr. King into industrial conciliation, still served him for some years when he became Prime Minister. He ranks high as one of Canada's finest Civil Servants.

Will Seek Compliance

Flagrant violators of the price ceiling will find this McGregor man stern as a father in a woodshed with a stick. But no one will be more courteous in his warnings, no one more earnest in making sure that the business man who makes an inadvertent slip is treated fairly.

"We seek compliance rather than enforcement," he explained carefully. "Compulsion should be our last, not our first resort. But the persistent offender is inviting trouble."

That was putting it with McGregor mildness. "We do mean business," he added, to make it plain. So far, he said, in the cases examined, a fine willingness to adjust things had been shown.

It is typical of the man that he should deal personally with the first complaints. He telephoned several seeming offenders not merely in Ottawa but in Montreal and Toronto. To others he wrote letters. All with a velvet-gloved courtesy that merely gave the teeniest hint at the punch he packed.

He made this first-hand investigation to get a line on how things might be expected to run. He got it. A complaint came that a chain store was charging a cent more per tin for tomatoes than it should. "Sorry," said the manager, "the price is set by our head office." Mr. McGregor long-distanced the head office. Head office looked into it, called back: "You're right, so sorry; thought we had everything in line. We're telegraphing all our stores immediately to cut a cent a tin."

"Those little pennies," mused Mr. McGregor, "right across the country add up enormously."

Has Faith in Business

"Where errors have existed," he added, "they have been fixed up right away. From my experience of 15 years I have come through with great faith in the Canadian business man—even in those cases where I have caught him out."

He outlined how complaints would likely be handled by his administration. His aim is to decentralize enforcement, to have all complaints examined by regional officers. At present he is carrying on at Ottawa headquarters with the staff of less than ten which has handled Combines Investigation for years. He does not expect a big increase.

Each regional office, headed by a Prices and Supply Representative, will have an enforcement officer, probably a lawyer skilled in investigation and evidence.

This regional officer may have one or more staff investigators; in some areas, for example, there will be specialists on rental cases or instalment buying, or other specialized branches of trade. Some of the bigger regional offices may in time enlist a dozen or more such inspectors, but in no case a brigade.

From the first, the 110 Weights and Measures Inspectors of the Trade and Commerce Department will be used as compliance officers. These men, known to merchants and knowing store practice, can check on complaints discreetly. As in the enforcement of any law, the Board will have the services of R.C.M.P. and local police. But uniformed police, Mr. McGregor said, will not be used to the embarrassment of merchants who may be innocent or err by inadvertence. Only where sin is obvious will a constable stride into a store.

Can Cancel Licenses

The Wartime Prices and Trade Board has been given power either to prosecute or to suspend or cancel a license. Cancellation will put a trader, manufacturer or producer out of business. It is the Board's body-blow for pernicious violators. There is no appeal from a decision. There can be no prosecution without the written permission of the Board or an attorney-general.

This is wartime. While some cases may be brought to the courts, the ordinary processes of law and appeal may prove too slow in an emergency which calls for quick decisions such as a military court-martial gives. Hence the Board may find it necessary to suspend or cancel where guilt is wilful and clear. Even a day's suspension should have a salutary effect.

But there will be no Star Chamber methods. The Board, I was assured, would not be arbitrary in handing out punishment. Offenders will be given every chance to explain and defend.

"Many a simple complaint," Mr. McGregor said, "will be settled by a 'phone call."

"Will your officers initiate inquiries or just wait for complaints?"

"If a fire department sees a fire smouldering, it does not wait until the alarm rings," he replied. "If certain practices become evident, for example, if enforcement officers find rental regulations being flouted—perhaps with the connivance of tenants—they will certainly act.

"Our job is to enforce. I can assure you we will not sit in dugouts waiting for something to happen. We want to uphold the law and protect all loyal citizens in this national battle against inflation. The welfare of every Canadian home is at stake in this battle. We mean to do our duty."

9.

"I Believe We Can Do It"

(*Mr. Griffin wrote this article in Toronto, for The Toronto Star, after returning to his newspaper duties. It is included here to complete Mr. Griffin's series.*)

I believe we can do it. I believe we can lick inflation.

That faith is not based on my knowledge of money and trade, which is elementary. It is based on what I saw in some four weeks spent in Ottawa, on loan by my newspaper, with The Wartime Prices and Trade Board.

During that month I saw men build, launch and start on its way the greatest control ever tried under democracy. It was, I suggest, the biggest job in the quickest time done in Canada since Confederation. Almost overnight they raised and made work a ceiling on retail prices, for all sellers and for all buyers.

One impression stands out strongly. If there was red tape anywhere in this war against inflation I did not see it. My memory is of a band of devoted Canadians in a truceless fight against time and an invisible enemy.

They were pressed suddenly into national service. They were called together in urgent necessity. They did not waste time by divided councils. They settled down as one man to plan and stage a panzer assault.

Men of Many Interests

I pin my faith on these men I have seen running the blitz against rising prices.

They are men of many kinds and many interests. They are a cross-section of the most practical men in Canada. They represent the government and the consumer. They speak for big-league business and for the little storekeeper. They speak with the voices of the farm and of the chartered bank, of factory and warehouse. Women's voices rise in the name of the house-wife. Here, in a wide plain Canadian sense, is a brain pool. Here is a democratic mobilization of special talents and interests, of thinkers and doers, of policy-makers and go-getters.

If such a band of men had got together in the past to work things out in such a spirit, aiming at the good of all and the good of Canada, they might have solved many a peacetime problem. There is no politics that I know of in the administration of The Prices and Trade Board except public-spirited resolve.

They Deal Objectively

The Board has, as Chairman, Donald Gordon of the Bank of Canada, of whom more later. Then there is Hector B. McKinnon, master of tariffs and former Chairman, who has taken over the presidency of the new Commodity Prices Stabilization Corporation. Another member is R. C. Berkinshaw, noted industrial executive, who is chairman of the Wartime Industries Control Board. The other eight members are deputy-ministers or experts from the various government departments mentioned below. These men, called civil servants, advise cabinets. Men of the highest integrity and wide experience, they have been trained to non-political and non-sectarian action. They have long learned to deal objectively with business and the public. Permanent senior officials, they run the country's machinery of government for you and me, in peace and war. More than most of us realize, the thinking of these men has been woven into the very fabric of Canadian living.

Thus on the Prices Board sit such men as L. D. Wilgress and Yves Lamontagne, watchers of world trade; A. M. Shaw and J. G. Bouchard, with their profound knowledge of agricultural problems; David Sim, witty and hard-headed revenue expert; Bryce M. Stewart, student of work and the worker; Fred A. McGregor, with his intimate knowledge of Canadian business gained through many years of combines investigation work; W. L. Gordon, from Finance, who looks as shrewdly at a billion as you and I do at a private buck.

This Board sits as the cabinet of price control. It deals with key problems. It confers with representatives of all kinds of trade and business; considers the factors involved in half a dozen government departments; hammers out policy; shapes the necessary regulations.

Serving this Board as advisors are economists such as K. W. Taylor, McMaster don, who is Board secretary as well; H. R. Kemp, razor-brained savant from Toronto; J. M. MacDonald of Manitoba, who can do a sweet research on a shopping list; Mrs. Phyllis G. Turner, who is the Board's only woman administrator; and Mrs. Irene M. Spry, who pursues the truth like a Friday bargain.

Keenest Business Brains

Balancing the scales, if you like, against such a weight of academicians you can place the practical operating experience of some fifty Administrators whom the Board has obtained from among Canada's keenest business brains. To name a few at random, they include men like W. P. Zeller, specialty chain store magnate; J. A. Klein, women's wear manufacturer; Neil McLean, the sardine king; G. L. McNally, wholesale grocer; Michael Morris, furrier; A. O. Heather, motor finance corporation head; S. Gross, diamond dealer; and James Ferguson, furniture maker.

Such men know their wares. They interpret their interests to the Board. And, as Board officials, they speak back with authority to their industries.

I believe we can do it because men like these are working to do it. None saw the difficulties clearer than they. To many of them at first, knowing the intricacies of trade, the difficulties seemed insurmountable. Nevertheless, they joined up. And as one man, in a teamwork of business such as this country has never known, in a working unison of minds and hearts, they are co-operating to make that ceiling stick.

I do not believe they could do it without Donald Gordon. He is the catalyst in the mix of elements. He has the Churchill touch. No one seems able to suggest any other man in Canada with the combination of physical drive, authority, special knowledge, courage and leadership to see this thing through.

He Lends Strength

He has worked steadily sixteen hours a day for weeks on his terrific job. Every day he has had to create, develop, advance, decide a thousand times, and never show uncertainty or defeat. While he draws strength from those around him, his strength goes out to them. I have heard Board officials wonder what would happen should he wilt or crack under the strain. But he won't wilt.

You know his story. Son of a Scottish watchmaker, he came to Canada at thirteen from a village near Aberdeen. Two years later, his schooling over, he got a job in a Toronto bank. Appointed secretary of the new Bank of Canada at thirty-four, before he was thirty-seven he was named its Deputy-Governor. Before he was forty he was handed Canada's toughest wartime job, to nail down a threatening inflation.

Donald Gordon is a big black-a-vised buddha of a man who speaks with a rumbling Scot's burr. At a meeting he presides with a kind of hierachial ease. Where this dark Gordon sits is the head of the table. Without seeming effort, by integrity, capacity and character, he draws loyalty, inspires confidence.

I recall particularly a week-end conference of Prices and Supply Representatives newly appointed as the Board's key men in the provinces. They are strangers, tackling a strange job, all good men and well fitted for their trust no doubt, but anxious and uncertain. I watch conviction grow as various officers of the Board and Administrators explain and expound.

No Dictator

Then Gordon appears and speaks. Perhaps it's the Gael in him, but his power is mystic. As he presides, a clan spirit develops; it is a democratic spirit, a quiet and assured spirit. A leader but no fuehrer, he dominates but does not dictate. Here is the chief, by general acceptance, on the part of colleagues who know he's tops.

This large dark brooding man with the range-finder mind sits with his shoulders hunched over the table. Rarely does he seem to use the word "Mister". He slings out surnames as he trims all his remarks to the bone. In logical, graphic, homely, sometimes salty language, he reasons and he clarifies. He listens quietly, does not appear to hurry, though alert intensity shines in his eyes. His mind is judicial, his method analytical. The wheels in his head seem to click to a conclusion.

"Right—what's next?"

A thing disposed of, he presses on and on. He goes through an agenda like a piece-worker on buttonholes. He tosses off decisions sure as a batter hitting flies. From morning to midnight he has worked like this on the far-ranging complexities of price-control, never swerving from the line laid down.

Yes, this man Gordon is the driving force in our battle against inflation. He is one of the most powerful and picturesque figures the war has produced in Canada. He is in this fight-to-a-finish with an implacable will-to-victory. He can be neither awed nor swayed. He is in this fight for Canada, its institutions and its people. He is proof that democracy can and does produce leaders in the pinches.

Backed By Great Team

He is, as I have intimated, backed by a great team. In this and other articles I have introduced a number of outstanding men of business, science and government who are serving with him, boldly and unselfishly. Let me indicate a few of the others and, if here or elsewhere I happen to have omitted this or that name, it is merely because it was impossible to know them all or to spot them all.

Gordon has assistants, specialists in strategy, management or organization, who help share his burden of detail. One is young slim James E. Coyne of Winnipeg. A Rhodes scholar, a lawyer and a financial whizzbang, he made a hit in handling Exchange Control. He is in effect Gordon's tactical chief of staff. His flashing and imaginative mind checks with the chairman's.

Another is S. R. Noble, sugar administrator for the Board since war began, picked for his expert knowledge of imports generally, and hence named Vice-President of the Commodity Prices Stabilization Corporation which Hector McKinnon heads. Assistant general manager of the Royal Bank, he has served much abroad, has a wide economic knowledge. With an urbane sense of humor, he can be reckoned a balance wheel.

Another is Charles Vining of Montreal. As a very young man he was a newspaper great and an esteemed colleague of mine. He deserted us for the advertising business, made another reputation quickly, and moved into a big job as a pocket-edition Judge Landis of the newsprint industry, which loyally surrendered him to the public service when the call came.

Gordon handed Vining the task of creating overnight an organization to provide information for a public bewildered by the sudden shock of price control. With him there soon were working sixteen hours a day, on loan from their companies, Frank Prendergast of Imperial Oil, three-star authority on public appeal; J. A. MacLaren, crack Toronto advertising president; Kenneth R. Wilson, from Financial Post; John Marshall, from the Windsor Star; Frank Ryan, who works like a beaver in Hudson's Bay Company; Ross Brown, from Bank of Canada; Carl Reinke, from censorship staff and Canadian Press.

Have Disciplined Themselves

I have seen these and other men at work in Ottawa setting up and evolving a system of price control. I have seen in action

such men as J. Gordon Taggart, Saskatchewan's minister of agriculture and one of Canada's most sincere and able sons; Fred B. Walls and W. Park of Eaton's; Edgar G. Burton of Simpson's; R. F. Chisholm of Gordon MacKay; A. M. Henderson, the accounting expert; and other co-ordinators and administrators of industry and trade.

I have seen how they disciplined themselves to the needs of a national task. I have seen evidence of their give-and-take. They were trained in trade war and industrial free-for-all, not in the rigidities of control. Most of them were accustomed to the smooth running of well-organized business. They were used to soft-voiced service and to getting results at the push of a button.

At Ottawa headquarters of the Board and in their new administrative offices in Toronto, Montreal or elsewhere, they suddenly found themselves in a kind of bedlam. They had to adjust themselves quickly to new and unaccustomed parts in relation to other men.

They found themselves working at first without telephones, in offices with others where there was scarcely elbow-room, amidst the clatter of partitions being hammered up and the smell of paint, with help who had yet to learn a formula, sometimes without even furniture. To hold a conference they had sometimes to find an unoccupied corner in a hall. They had to think, plan, weigh and direct, they had to help evolve a mechanism of complex control, under conditions of extreme distraction and fatigue.

Seriously, courageously, patiently, co-operatively, these men, each in his own way, carried through and met the test—a hard, tough test of men's qualities. I put my faith in the will and stamina of these men. Because of Gordon, and because of these many men who are so loyally helping him, I believe we can win the fight against inflation.

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If you have a problem for the attention of the Board, please consult your local or nearest Wartime Prices and Trade Board office.



Commodity Prices Stabilization Corporation

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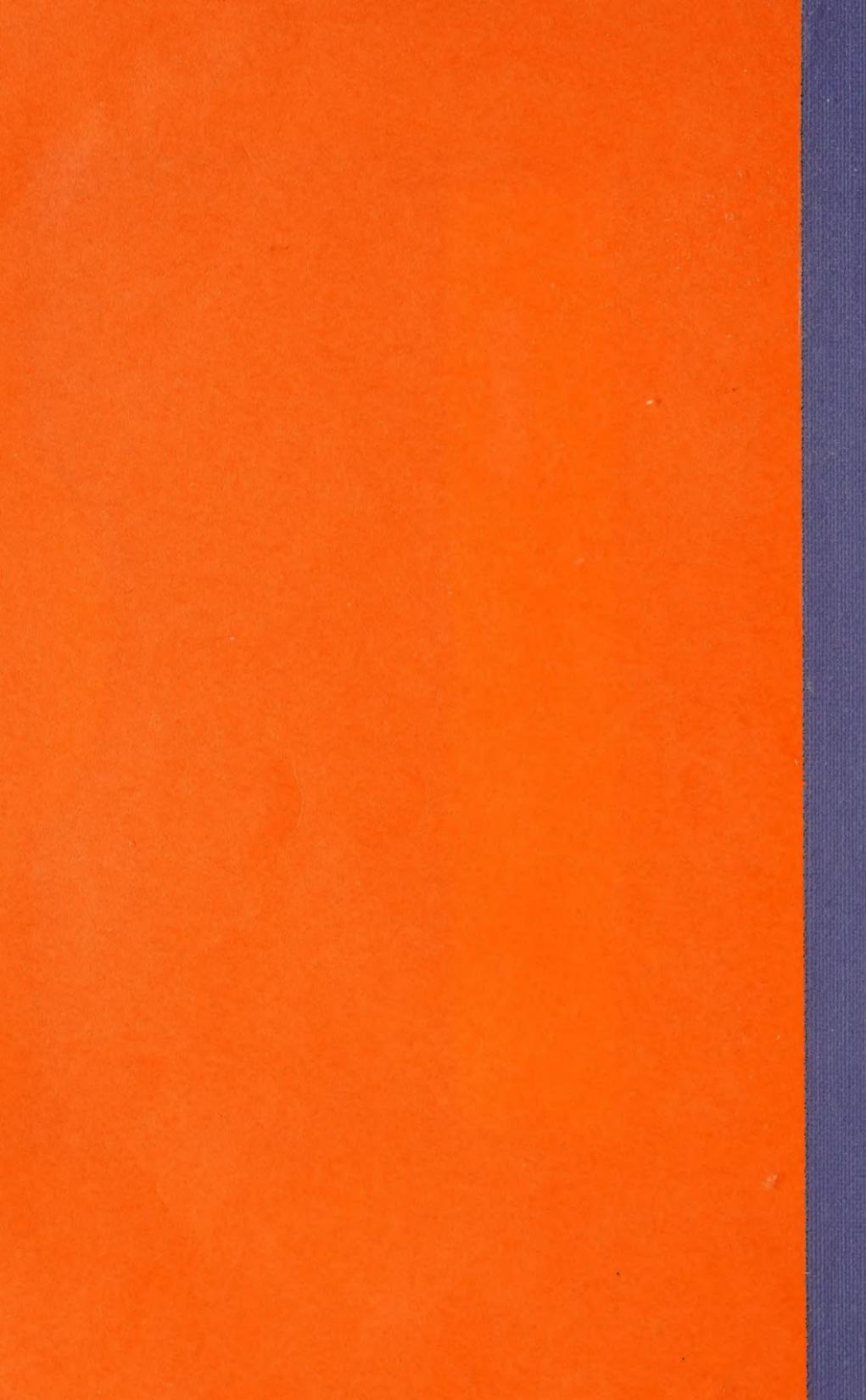
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(Griffin, Frederick - "Fighting inflation".)

DATE.	NAME OF BORROWER.
Sept 21 '42	B Letter
Mar. 20 '43	P. Dickinson, et al.
Aug. 30 '43	R.C. Craig, et al.
Nov. 4 '43	M. Shwochuk, et al.

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